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Governor

DIVISION OF WORKFORCE DEVELOPMENT

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Director

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Subject: Activities and Services for Employed and Incumbent Workers

1. Purpose: To provide guidance to local areas regarding implementation of activities and services for employed and incumbent workers using Workforce Investment Act (WIA) formula grant funds.
2. Substance: The WIA distinguishes between Incumbent Worker Programs and services to employed individuals. Incumbent workers are employed individuals that are served with state 15 percent funds or by the local area on a fee-for-service basis (and who also meet the other requirements of 20 CFR 667.200 (a)(8)). Incumbent workers do not have to meet the self-sufficiency requirements of employed individuals served with formula funds.

The WIA allows local areas to provide intensive services and training services to employed individuals “. . . who are determined by the one-stop operator to be in need of such . . . services in order to obtain or retain employment that allows for self-sufficiency.” [WIA 134 (d)(3)(A)(ii)]. Therefore, if an employed individual is to be provided intensive services or training services by a local area using WIA formula funds, that individual must earn less than the requirements of the local area’s definition of self-sufficiency.

20 CFR 663.720 requires that employed workers that are served by the local in a customized training component must, in addition to the self-sufficiency requirement, be in training that relates to the introduction of new technologies, introduction of new products or service procedures, upgrading to new jobs that require additional skills, workplace literacy, or other appropriate purposes identified by the local Workforce Investment Board. There must be a commitment on the part of the employer to continue to employ workers that have received customized training.

Providing services to employed individuals will not have a negative impact on local area performance. Employed individuals are automatically removed from the formula for the entered employment measure so there is no impact on that performance measure. A positive earnings change and retention in employment should be a normal outcome of training employees that are already working for an employer.

3. Action: Local areas should use these guidelines when determining eligibility and service strategies for employed individuals who need program services to attain self-sufficiency and in the development of customized training and fee for service incumbent worker programs.
4. Contact: Any questions relating to this issuance should be directed to Tom Reed, Field Services Section, (573) 526-8240.

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